GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3792
ANSWERED ON:22.08.2005
REMUNERATIVE PRICE FOR SUGARCANE
Pingle Shri Devidas Anandrao

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government is aware that the sugarcane growers of Maharashtra are not getting the remunerative prices as compared to the sugarcane growers of Uttaranchal and Uttar Pradesh;

(b) if so, the details thereof and the reasons therefor;

(c) the reaction of the Government thereto; and

(d) the steps taken by the Government to ensure equitable price to sugarcane farmers of Maharashtra?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a), (b), (c) & (d): In Maharashtra, the Statutory Minimum Price (SMP) of sugarcane, fixation of which inter alia takes into consideration the cost of production of sugarcane and the return to the grower from alternative crops is applicable, which is Rs.74.50 per quintal, linked to a basic recovery of 8.5% and a premium of Rs.0.88 for every 0.1% increase in recovery above that level for 2004-05 sugar season. In the State of Uttaranchal, the sugarcane farmers are paid as per the State Advised Price (SAP) for 2004-05 sugar season, which is Rs.104.50 per quintal for Unapproved Variety, Rs. 107 per quintal for General Variety and Rs.112 per quintal for Early Variety and these rates are the same in Uttar Pradesh.

The Hon`ble Supreme Court has held that States which have enacted legislation regarding regulation of supply and purchase of sugarcane have the right to fix prices for sugarcane purchased by sugar mills which can be higher than the Statutory Minimum Price determined by the Central Government.